



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: November 8, 2000 REPORT NO. 00-236

ATTENTION: Honorable Mayor and City Council
Docket of November 14, 2000

SUBJECT: Joint Public Hearing with the Redevelopment Agency on the proposed termination of the Effectiveness of the Redevelopment Plan for the Market Street Industrial Park (MSIP) Redevelopment Project

SUMMARY

Issue: Should the City Council conduct a Joint Public Hearing with the Redevelopment Agency on the proposed termination of the effectiveness of the Redevelopment Plan for the Market Street Industrial Park (MSIP) Redevelopment Project?

Manager's Recommendation - Conduct the Joint Public Hearing with the Redevelopment Agency on the proposed termination of the effectiveness of the Redevelopment Plan for the Market Street Industrial Park (MSIP) Redevelopment Project.

Other Recommendations - None

Fiscal Impact - No further tax increment payments to City from County anticipated subsequent to Fiscal 1999-2000. Any remaining housing set-aside funds will be allocated for use by the San Diego Housing Commission to the Mt. Hope Housing Rehabilitation Program per Agency agreement, Document No. 1832, filed July 16, 1991; R-1980.

BACKGROUND:

The Market Street Industrial Park (MSIP) Redevelopment Project was adopted August 18, 1976. The MSIP was adopted to develop a light industrial business park to enhance employment opportunities for residents in the surrounding neighborhoods. The 20 acre industrial park was completed in 1981. The specific project goals and objectives of the MSIP included, but were not limited to the following: elimination of physical blighting conditions such as obsolete structures and incompatible land uses; establish a light industrial park where labor intensive types of industries can be located; to provide site for new and relocated industries that will provide new

jobs for the community residents; and, to promote local entrepreneurship by providing incentives for new industrial development by local residents. And while suffering significant vacancies throughout the recessionary period of the early nineties, the MSIP has been fully occupied since 1996. The MSIP is incorporated within the Metro Enterprise Zone, this provides further business incentives and employment opportunities. To date a total of 600 employment positions have been created resulting from the development of this Industrial Park.

DISCUSSION:

The Agency's work with the MSIP business owners has resulted in a productive, employment generating, well run industrial park which has accomplished the goals and objectives established in the MSIP Redevelopment Plan, and has contributed to the improvement of housing conditions in the neighborhood surrounding the MSIP.

The MSIP has no housing development within its boundaries, therefore, the Agency, in cooperation with the San Diego Housing Commission and the Southeast Economic Development Corporation (SEDC), has applied the annual MSIP housing set-aside funds to partially fund the Mount Hope Neighborhood Housing Rehabilitation Program for very low, low and moderate income owner occupied households in the Mount Hope and Helix Heights neighborhoods surrounding the MSIP. To date, approximately 98 owner-occupied dwelling units have been rehabilitated, the majority of whom were very low and low income households.

California Redevelopment Law required the adoption of a limitation on the amount of tax increment funds to be collected by the Agency from the Market Street Industrial Park Redevelopment Project. That limitation was adopted by ordinance on December 8, 1986, and having attained that limit, the MSIP project does not anticipate the collection of any additional tax increment funds beyond Fiscal Year 1999.

California Redevelopment Law requires that, prior to consideration of the termination of the effectiveness of the redevelopment plan for the MSIP Redevelopment Project, the City Council and Redevelopment Agency give prior consent and authorization for a joint public hearing. On October 3, 2000, the City Council and Redevelopment Agency authorized the Joint Public Hearing to take public testimony on the proposed termination of the effectiveness of the redevelopment plan for the MSIP.

Notice of the public hearing to terminate the effectiveness of the Market Street Industrial Park Redevelopment Plan was accomplished in accordance with applicable sections of California Redevelopment Law and the Government Code.

Respectfully submitted,

Hank Cunningham
Director
Economic Development & Community Services

Approved: George I. Loveland
Assistant City Manager

(Hooks/34600,Felix/67245